

NASSTECH, LLC,
Plaintiff,
v.
OSNOVATION SYSTEMS,
OSNOVATIVE SYSTEMS,
Defendant.

Case No. 18-cv-04417 NC

**ORDER TO SHOW CAUSE
REGARDING SUBJECT MATTER
JURISDICTION OVER LIMITED
LIABILITY COMPANY**

Re: Dkt. No. 1

Defendants Osnovation Systems, Inc. and CSNK Working Capital Finance Corp. removed this case from California state court on the basis of diversity jurisdiction. Dkt. No. 1 at 2. Plaintiff Nasstech, LLC is a limited liability company. It is the Court's duty to examine whether it has subject matter jurisdiction over any case before it.

Federal courts are courts of limited jurisdiction and are presumptively without jurisdiction. *Kokkonen v. Guardian Life Ins. Co. of Am.*, 511 U.S. 375, 377 (1994). The defendant has the burden of showing removal of a state court action to federal court is appropriate. *Gaus v. Miles, Inc.*, 980 F.2d 564, 566 (9th Cir. 1992). Removal of a state court action to federal court is appropriate only if the federal court would have had original subject matter jurisdiction over the suit. 28 U.S.C. § 1441(a).

It is not clear that diversity of citizenship exists here, and so the existence of subject matter jurisdiction is uncertain. This is because plaintiff Nasstech is a limited liability company, and the citizenship of each member of the company must be considered in the

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1 diversity analysis. *Carden v. Arkoma Assocs.*, 494 U.S. 185, 195 (1990); *Johnson v.*
2 *Columbia Properties Anchorage, LP*, 437 F.3d 894, 899 (9th Cir. 2006). In the removal,
3 defendants did not inform the Court of the citizenship of plaintiff's members. The amount
4 in controversy does, however, meet the statutory minimum under 28 U.S.C. § 1332. Thus,
5 the Court ORDERS defendants to SHOW CAUSE why the Court has subject matter
6 jurisdiction over this case. Defendants must file a response to this order by August 3,
7 2018. That response may not exceed 5 pages in length. Otherwise, the Court will have
8 this case reassigned to a district court judge with the recommendation that the judge
9 remand this case to California state court.

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IT IS SO ORDERED.

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Dated: July 25, 2018



NATHANAEL M. COUSINS
United States Magistrate Judge

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